



From 09th to 20th august 2010

Week # 33

Summer 2010: prices rising sharply

Sugar prices have increased continually since the end of June in spite of a very volatile situation. On 20 August, white sugar for October delivery was trading at 575 \$/t (452 €/t) while raw sugar stood at 440 \$/t (344 €/t). Prices have thus increased 19% for white and 22% for raw sugar since the start of July. Due to the low availability of white sugar and an increase in world demand (especially after the start of Ramadan), white premium (P.3) is now fetching more than 130 \$. On the raw sugar market, the bad weather that has affected the Centre/South region of Brazil has led to congestion of the ports of Santos and Paranagua, limiting exports and pushing up prices in New York. The start of the Brazilian harvest is nonetheless excellent and is set to be higher than the 2009/10 harvest despite some uncertainties concerning "over-aged" cane in the last quarter of 2010.

The rise in prices has also benefited from a general depreciation of the dollar compared to the other currencies despite its consolidation over the last two weeks (P.7).

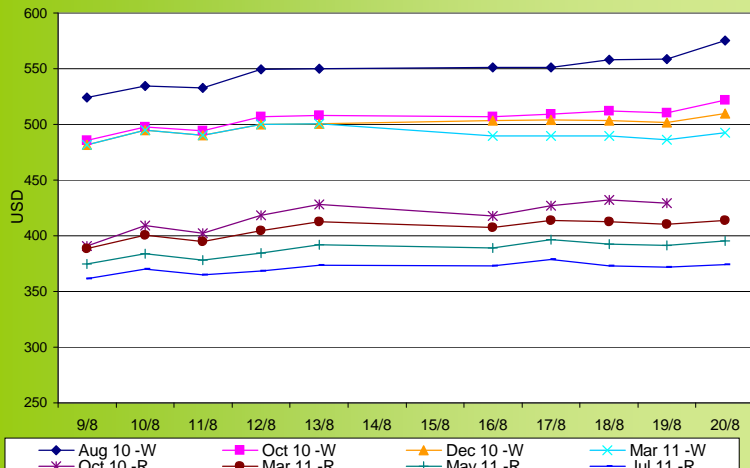
On the energy markets (P.4), the price of crude oil is falling and is currently trading at 75 \$ a barrel. Gasoline is following the same downward trend and is currently at 51 \$/hl. Ethanol prices have increased in the US, seemingly because of the rise in cereal prices (like the hike in pulp prices - see P.6) to 48 \$/hl. The same trend can be observed in Brazil, where anhydrous ethanol is now selling at 55 \$/hl. In Rotterdam, the T2 price has also risen to about 55€/hl.

And finally, freight prices have dropped (P.8) while cereal prices have risen (P.5) with wheat trading at over 240 \$/t (189 €/t) in Chicago, soya selling at 377 \$/t (296 €/t) and maize now fetching 163 \$/t(128 €/t).

SUGAR #11 and #5 - Prices

Settling date	Previous week	Current week	Difference
Refined sugar price - London Euronext (USD/t)			
Aug 10	538.2	558.9	20.7
Oct 10	498.5	512.1	13.6
Dec 10	493.5	504.4	11.0
Mar 11	493.5	489.5	-4.0
Raw sugar - ICE #11 (USD/t)			
Oct 10	409.8	429.2	19.4
Mar 11	400.2	411.6	11.4
May 11	382.6	393.1	10.5
Jul 11	367.7	374.1	6.3
Raw sugar - ICE #11 (cts/lb)			
Oct 10	18.59	19.47	0.88
Mar 10	18.15	18.67	0.52
May 11	17.35	17.83	0.48
White premium (USD/t)			
Oct/Aug	128.4	129.7	1.3

Raw and white sugar prices on the past two weeks USD/t (daily prices)



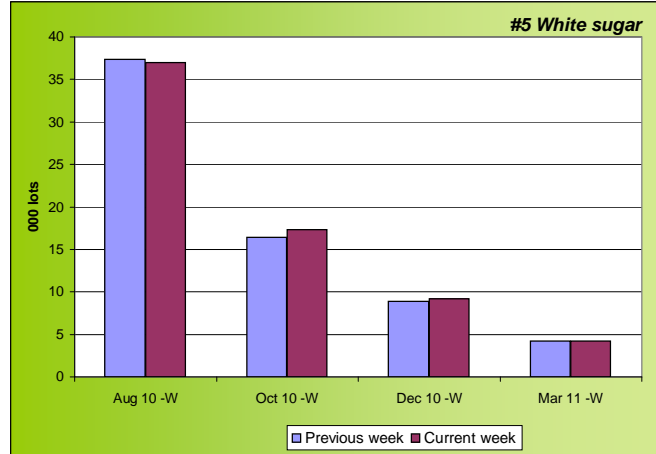
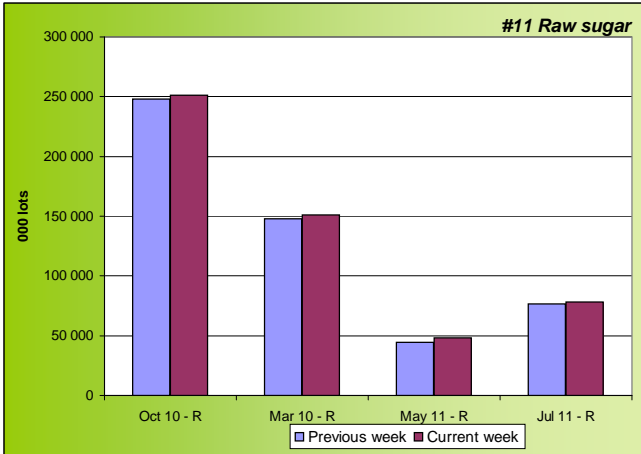
Sugar Prices #11 and #5 since January 08



From 26th of april to 7th of may 2010

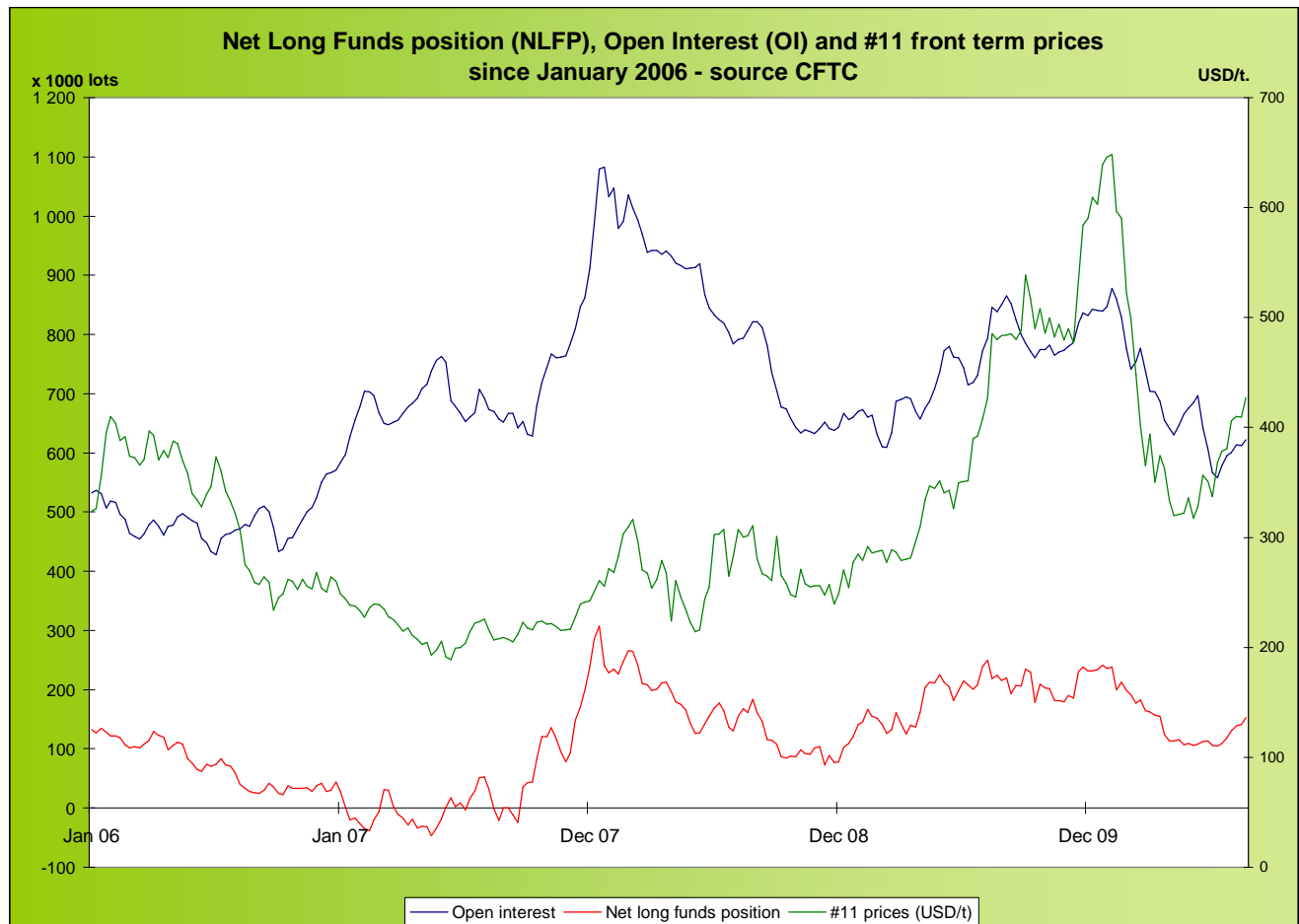
SUGAR #11 & #5 - Open interest + Funds positions

Average weekly Open Interest per settling date contract (1 lot= 50t)



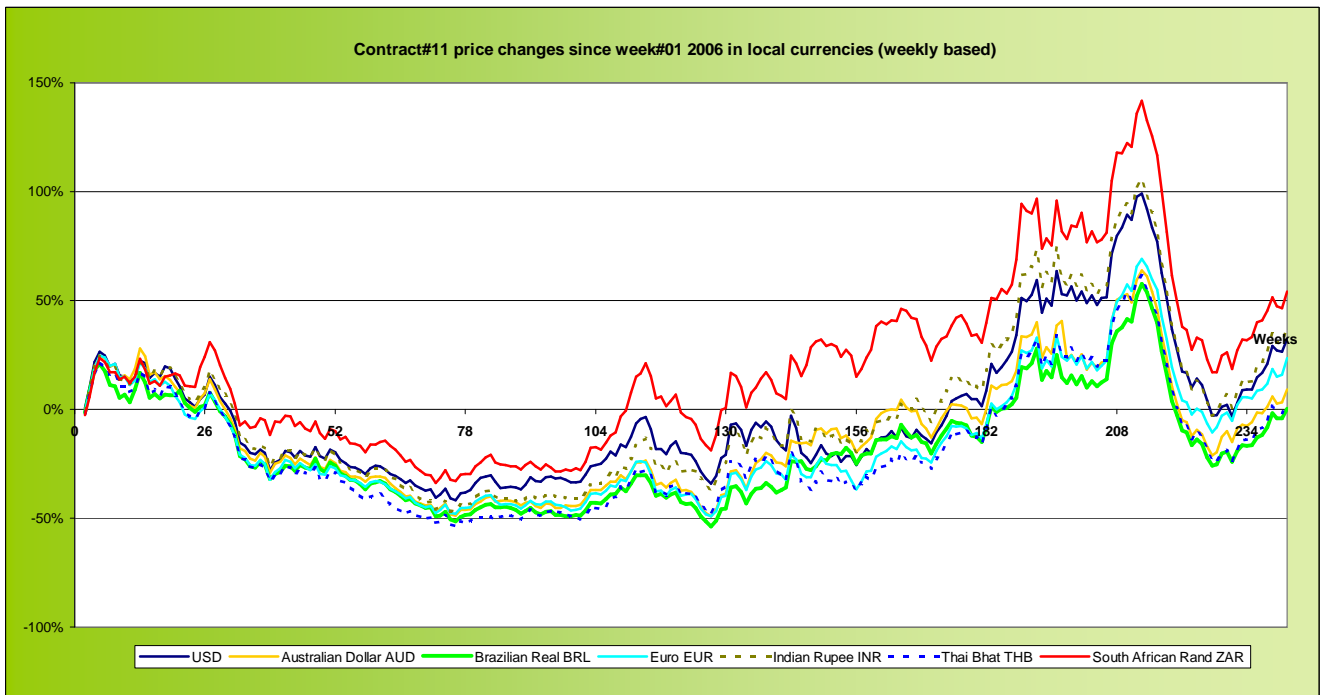
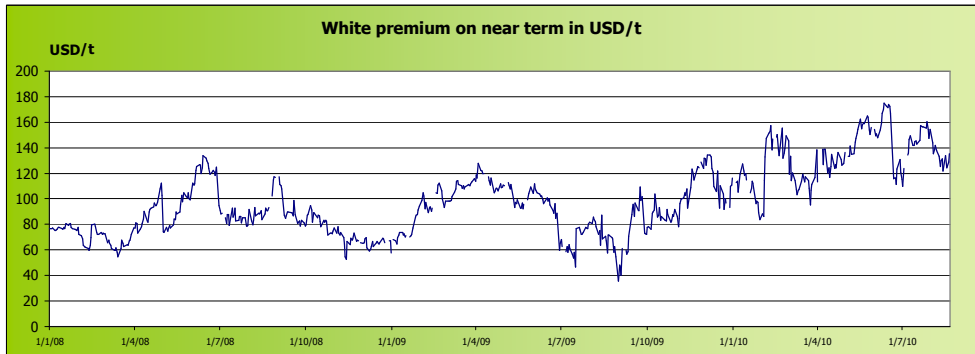
#11 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Oct 10 - R	247787	251489	3702.2	1%
Mar 10 - R	147759	150888	3129.0	2%
May 11 - R	44587	48104	3516.8	8%
Jul 11 - R	76464	78221	1756.8	2%
Total	516597	528702	12104.8	2%

#5 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Aug 10 -W	37.4	37.0	-0.4	-1%
Oct 10 -W	16.4	17.3	0.9	6%
Dec 10 -W	8.9	9.2	0.3	4%
Mar 11 -W	4.2	4.2	0.0	0%
Total	67	68	0.9	1%



From 26th of april to 7th of may 2010

SUGAR #11 - White premium + Prices in local currencies



Contract#11 sugar price changes from past week and from week#01 2006 in local currency and in percentage

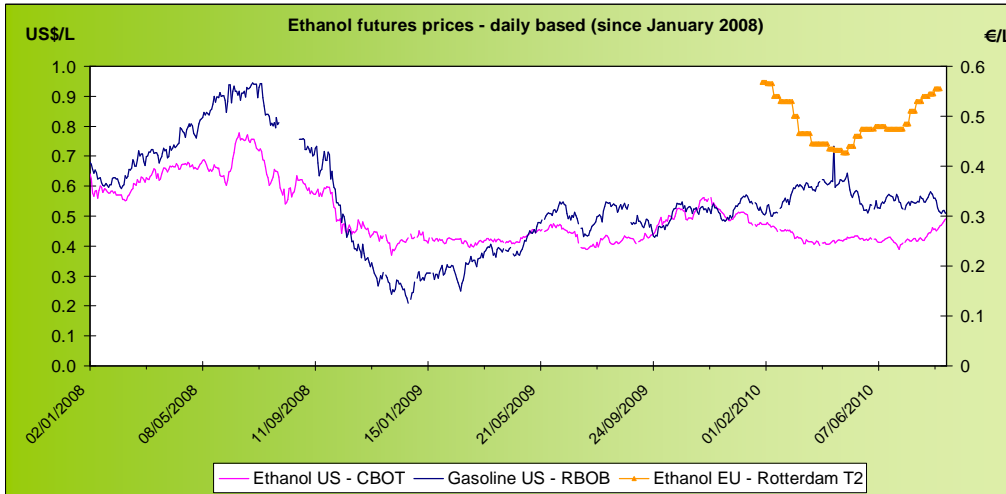
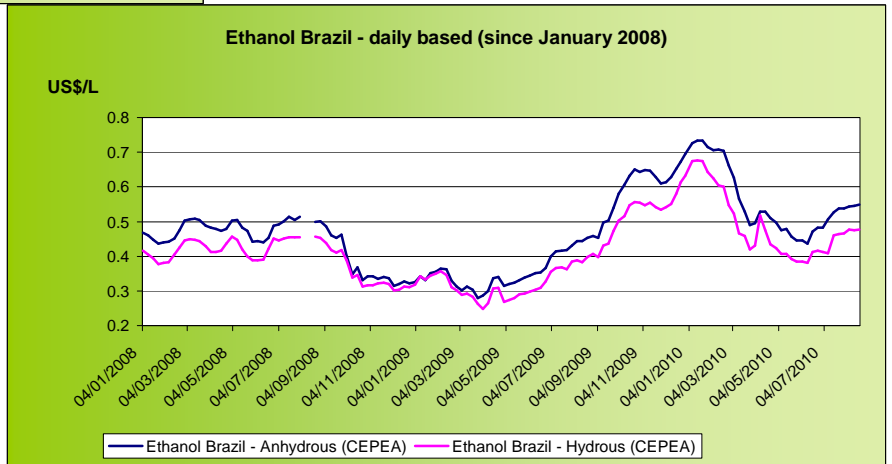
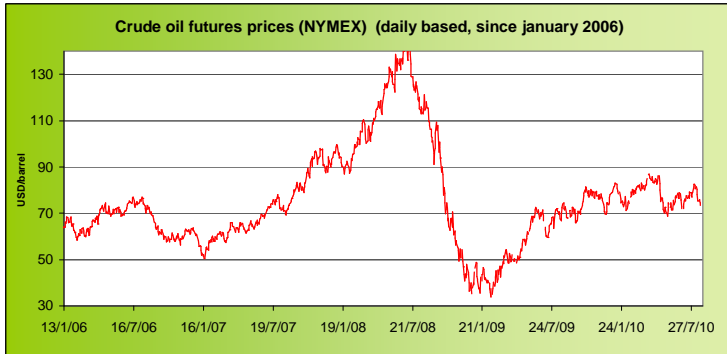
Currencies	Sugar prices in currency	Sugar prices in currency	Difference from previous week	Difference from previous week	Difference from week#1
	Past week	Current week	In currency	In %	In %
USD	409.8	429.2	19.4	4.7%	32.5%
Australian Dollar AUD	452.7	479.4	26.7	5.9%	9.2%
Brazilian Real BRL	721.6	754.1	32.6	4.5%	0.3%
Chinese Yuan CNY	2774.0	2911.7	137.7	5.0%	11.4%
Euro EUR	315.0	335.3	20.3	6.4%	23.4%
Indian Rupee INR	19006.6	19988.3	981.7	5.2%	37.6%
Mexican Peso MXN	5202.1	5442.6	240.5	4.6%	58.3%
Russian Rouble RUB	12377.6	13087.8	710.3	5.7%	40.6%
Thai Bhat THB	12998.0	13519.4	521.3	4.0%	2.5%
South African Rand ZAR	2967.0	3122.7	155.6	5.2%	54.1%

Sugar prices and currencies data are based on weekly average.



From 26th of april to 7th of may 2010

ENERGY MARKETS - Ethanol, Crude oil and Gazoline



Oil, gasoline and ethanol price changes from past week and from week#01 2006

	Price in USD	Price in USD	Difference	Difference past week	Difference from the week#1
<i>Products</i>	Past week	Current week	In USD	In %	In %
<i>Ethanol CBOT (USD/l)</i>	0.4586	0.4824	0.0238	5.19%	-14.0%
<i>Ethanol CBOT (USD/gal)</i>	1.7334	1.8234	0.0900		
<i>Oil (USD/barrel)</i>	78.18	74.86	-3.31	-4.24%	17.6%
<i>Gazoline RBOB (USD/l)</i>	0.5342	0.5128	-0.021	-4.00%	164.0%
<i>Sugar #11 (USD/t)</i>	409.79	429.24	19.4	4.74%	32.5%
<i>Products</i>	Past week	Current week	In USD	In %	In %
<i>Ethanol CEPEA (USD/l) - Anyhydrous</i>	0.5455	0.5497	0.0042	0.77%	17.0%
<i>Ethanol CEPEA (USD/l) - Hydrous</i>	0.4751	0.4761	0.0010	0.21%	6.1%
<i>Products</i>	Past week (€/l)	Current week (€/l)	In €	In %	In %
<i>Ethanol EU - Rotterdam T2</i>	0.555				



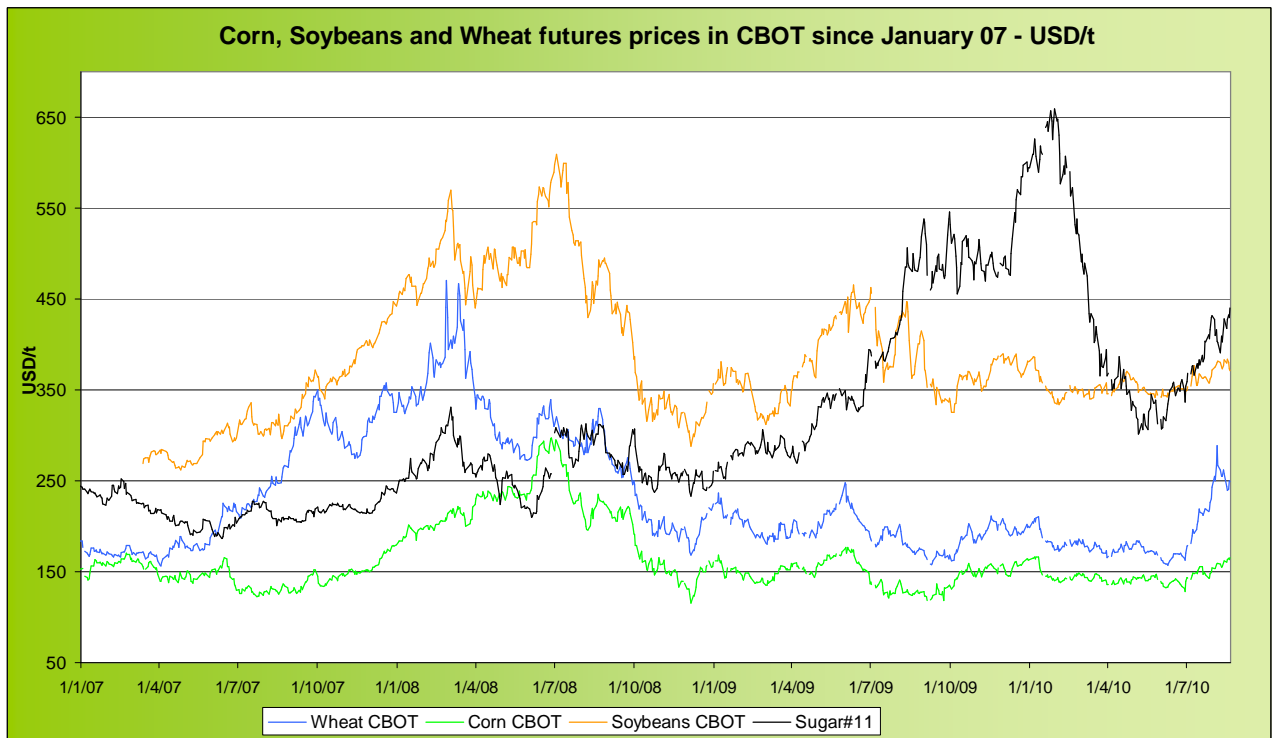
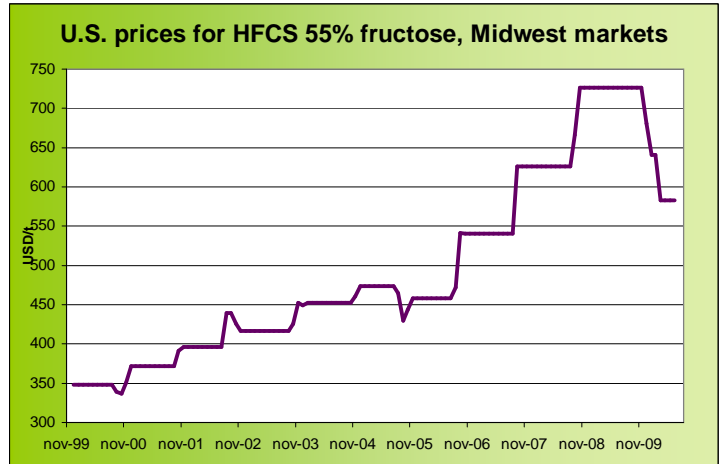
From 26th of april to 7th of may 2010

GRAINS MARKETS - Corn, Soybeans, Wheat and HFCS

Price changes

	Current month-3	Current Month-2	In USD
HFCS 55 - USD/t	583.18	583.18	0.00
HFCS 55 - cts/lb	26.46	26.46	0.00

Dry weight, monthly averages, source Milling and baking news



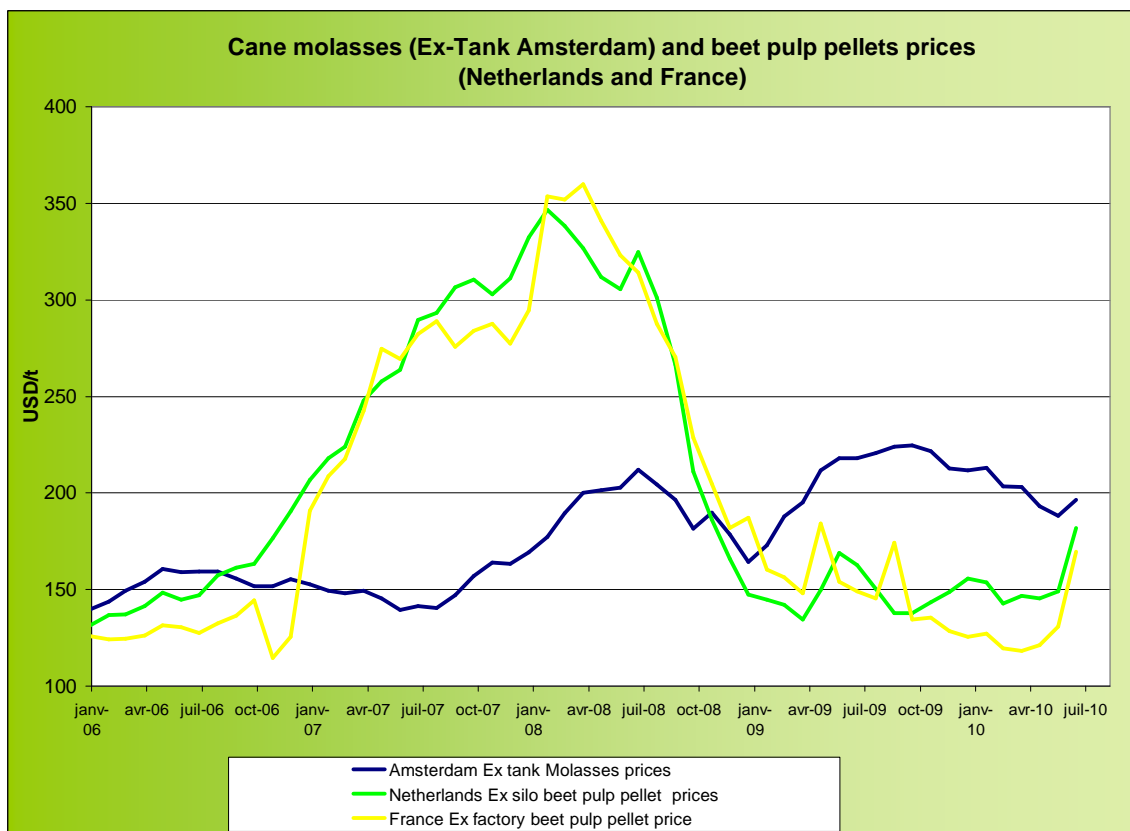
Corn, soybeans and wheat prices, changes from the past week and from the week#01 2006, in USD/t and in percentage

Products		Front term	Front term	Difference	Difference	Diff week#1 2006
		Past week	Current week	In USD	In %	In %
Corn (CBOT)	USD/t	158.24	163.43	5.20	3.3%	92.4%
	cts/bsl	401.92	415.12	13.20		
Soybeans (CBOT)	USD/t	377.79	377.70	-0.09	0.0%	71.2%
	cts/bsl	1028.28	1028.04	-0.24		
Wheat (CBOT)	USD/t	258.43	244.75	-13.68	-5.3%	96.4%
	cts/bsl	703.40	666.16	-37.24		



From 26th of april to 7th of may 2010

BY-PRODUCTS - Molasses and Beet Pulp



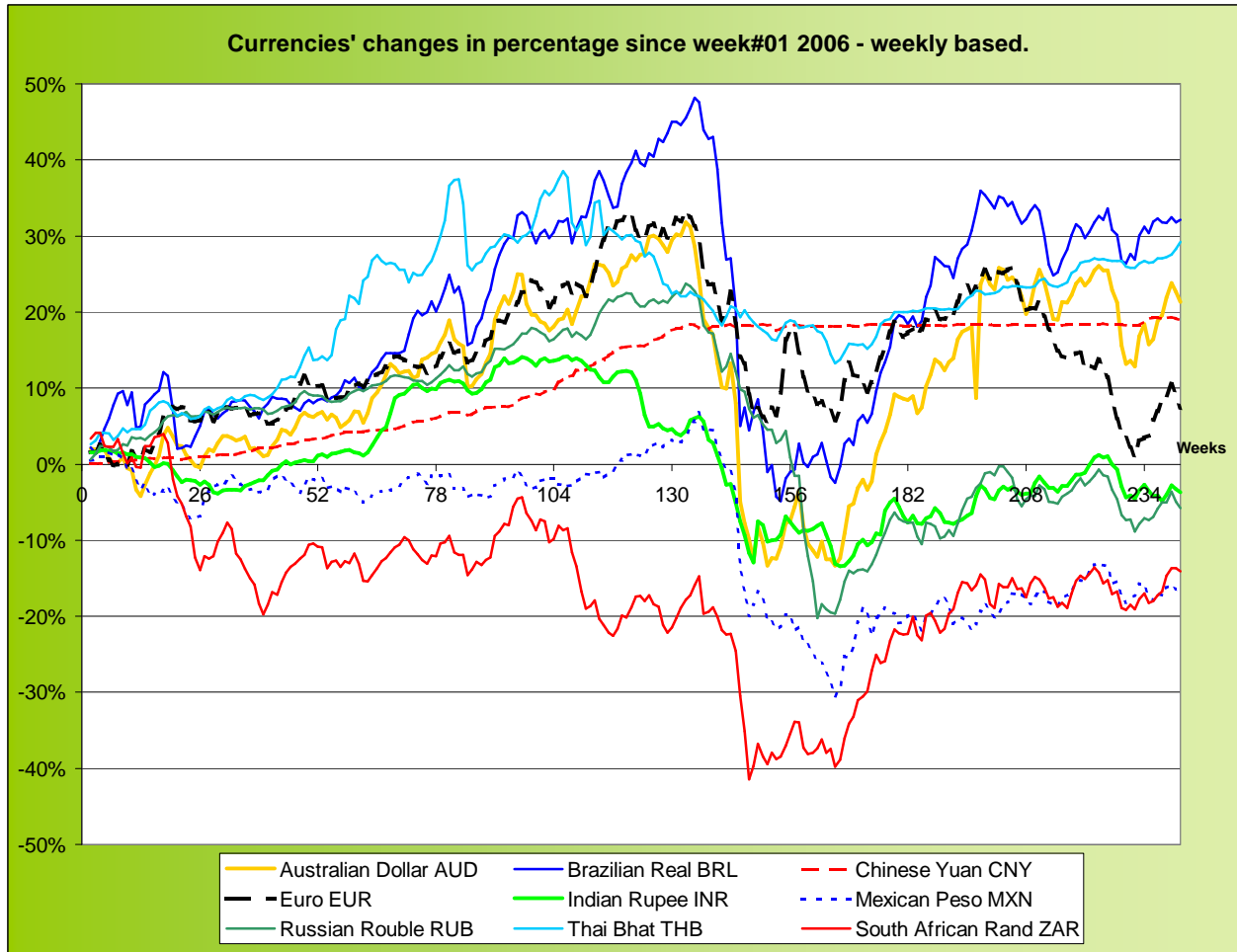
Molasses and beet pulp pellets prices and changes between three and two months before and from month#01 2006

		Commodity	Commodity	Difference from previous month	Difference from previous month	Difference from month#1 2006
<i>Products</i>		Month -3 (apr)	Month -2 (may)	In USD and €	In %	In %
<i>Amsterdam Ex tank Cane Molasses</i>	<i>USD/t</i>	193.00	188.10	-4.90	-2.5%	34.6%
	<i>EUR/t</i>	153.00	154.00	1.00	0.7%	33.3%
<i>Netherlands Beet Pulp Pellets</i>	<i>USD/t</i>	145.44	148.96	3.51	2.4%	13.4%
	<i>EUR/t</i>	115.30	121.95	6.65	5.8%	12.2%
<i>Products</i>		Month -3 (apr)	Month -2 (may)	In USD and €	In %	In %
<i>France Beet Pulp Pellets</i>	<i>USD/t</i>	121.10	130.70	9.60	7.9%	3.9%
	<i>EUR/t</i>	96.00	107.00	11.00	11.5%	2.9%



From 26th of april to 7th of may 2010

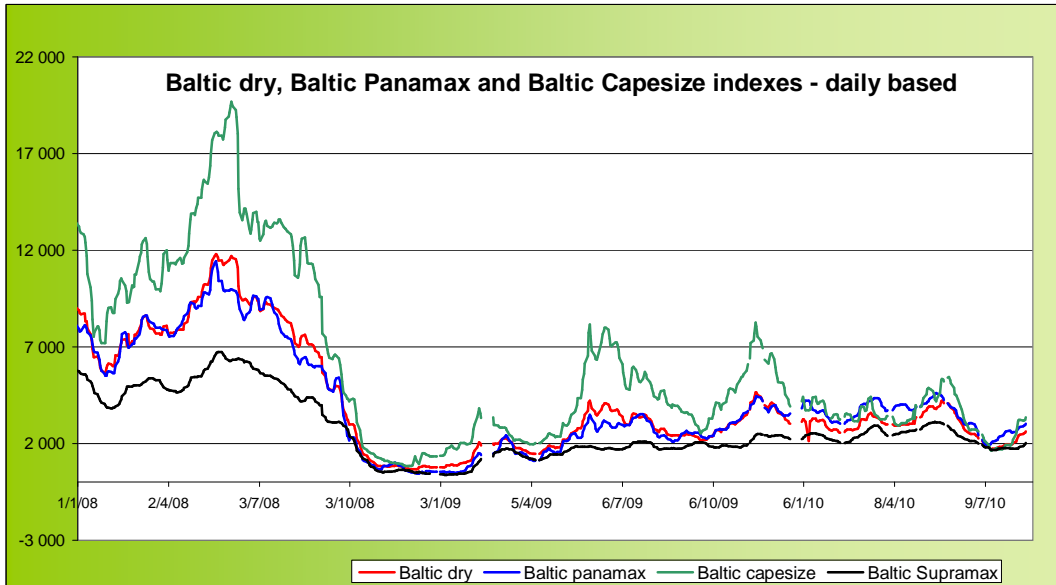
EXCHANGE RATES



Currencies' changes from the past week and from the week#01 2006, in USD and in percentage

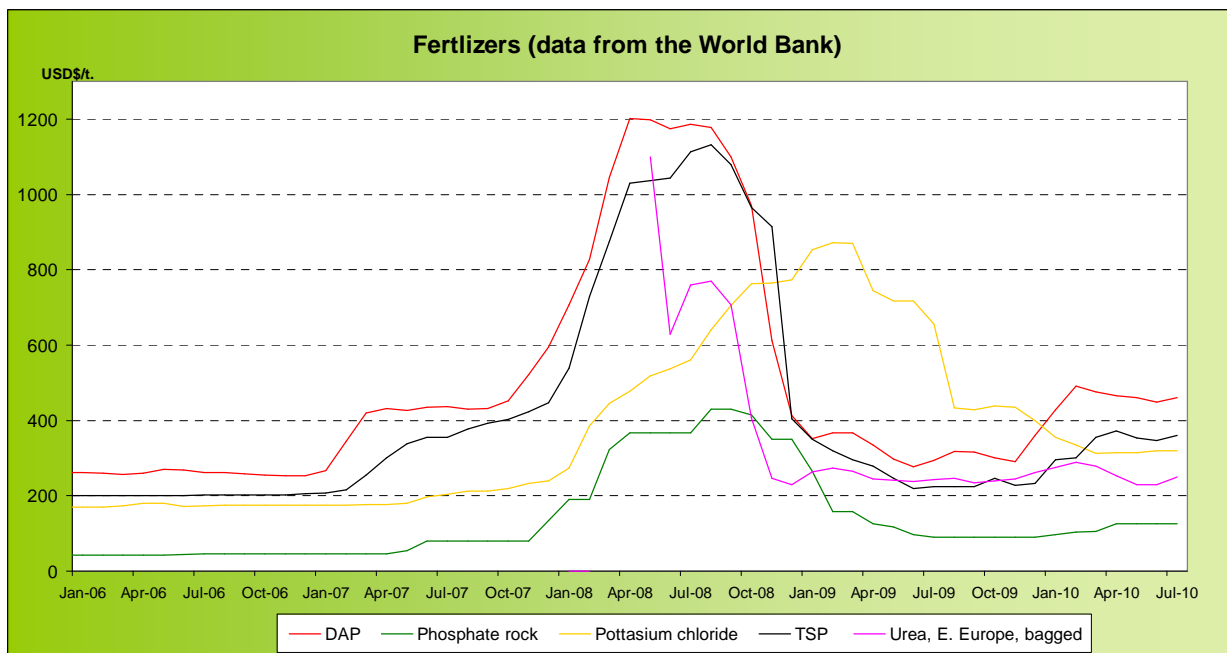
Currencies	Currencies in USD - Week#:	Currencies in USD - Week#:	Difference from previous week	Difference from previous week	Difference from week#1 2006
	Past week	Current week	In USD	In %	In %
Australian Dollar AUD	0.9052	0.8953	-0.00987	-1.1%	21.3%
Brazilian Real BRL	0.5679	0.5692	0.00124	0.2%	32.1%
Chinese Yuan CNY	0.1477	0.1474	-0.00031	-0.2%	18.9%
Euro EUR	1.3010	1.2803	-0.02079	-1.6%	7.4%
Indian Rupee INR	0.0216	0.0215	-0.00009	-0.4%	-3.7%
Mexican Peso MXN	0.0788	0.0789	0.00009	0.1%	-16.3%
Russian Rouble RUB	0.0331	0.0328	-0.00031	-0.9%	-5.8%
Thai Bhat THB	0.0315	0.0317	0.00022	0.7%	29.2%
South African Rand ZAR	0.1381	0.1375	-0.00066	-0.5%	-14.1%

FREIGHT - Baltic Indexes



Baltic indexes, changes from the past week and from the week#01 2007

	Freight indexes	Freight indexes	Difference from previous week	Difference from previous week	Difference from week#01 2007
Indexes	Past week	Current week	Index	In %	In %
Baltic dry	2321.8	2041.0	-280.8	-12.1%	-56.2%
Baltic Supramax	1763.8	1557.6	-206.2	-11.7%	-47.9%
Baltic panamax	2743.0	2360.6	-382.4	-13.9%	-45.5%
Baltic capesize	2956.6	2597.8	-358.8	-12.1%	-57.8%



Explanations :
 DAP (diammonium phosphate), standard size, bulk, spot, f.o.b. US Gulf
 Phosphate rock (Moroccan), 70% BPL, contract, f.a.s. Casablanca
 Potassium chloride (muriate of potash), standard grade, spot, f.o.b. Vancouver
 TSP (triple superphosphate), onwards Tunisian, granular, f.o.b.
 Urea, (Black Sea), bulk, spot, f.o.b. Black Sea (primarily Yuzhnyy)



From 26th of april to 7th of may 2010

MARKET OVERVIEW - The Grower Dashboard**Comparison of futures prices for sugar, ethanol, crude oil, grains in USD and in %**

	Commodity	Commodity	Difference from previous week	Difference from previous week	Difference from week#1 2006	
						Products
Sugar (#11)	USD/t	409.79	429.24	19.44	4.7%	32.5%
	Cts/lb	18.59	19.47	0.88		
Sugar #5	USD/t	538.18	558.90	20.72	3.9%	58.4%
Corn (CBOT)	USD/t	158.24	163.43	5.20	3.3%	92.4%
	cts/bsl	401.92	415.12	13.20		
Soybeans (CBOT)	USD/t	377.79	377.70	-0.09	0.0%	71.2%
	cts/bsl	1028.28	1028.04	-0.24		
Wheat (CBOT)	USD/t	258.43	244.75	-13.68	-5.3%	96.4%
	cts/bsl	703.40	666.16	-37.24		
Ethanol	EU (€/l)	0.56	0.00	-0.56	#DIV/0!	
	US (USD/l)	0.4586	0.4824	0.02	5.2%	-14.0%
	Brazil (USD/l) Anhydrous	0.5455	0.5497	0.00	0.8%	17.0%
Crude oil	USD/barrel	78.18	74.86	-3.31	-4.2%	17.6%
Freight supramax	Index	1763.80	1557.60	-206.20	-11.7%	-47.9%

IN BRIEF (Source : FO Licht Sugar Daily)

- **Brazil** : By July 16, total cane crushed for 2010/11 is up 20,3% at 255 Mt (against 212 Mt last campaign). Sugar production rose 30,4% to 14,01 Mt from 10,74 Mt, while ethanol output rose 20,6% to 10,93 bln liters from 9,06 bln liters last year. Industrial yields are currently up 3,8% year-on-year at 130,8 kg of recoverable sugars per tonne of cane from 126,01 at the same time last year. The share of cane used for sugar production is up 1,87 percentage points so far in the season at 44,03%, while the share used for ethanol dropped accordingly to 55,97%.

- **Central America** : The six countries of Guatemala, Salvador, Nicaragua, Honduras, Costa Rica and Panama exported 2,567 Mt in 2009/10, 6,3% more than the 2,414 Mt shipped in the previous cycle.

- **India** : Crucial monsoon rains are likely to be 107% of normal in the remaining two months of the June-September season, the India Meteorological Department said.

- **Mexico** : Mexico's sugar production should rise to 5-5,1 Mt in 2010/11 after two years of disappointing yields said Carlos Blackaller, head of the UNC. He attributed the rise in output to favourable rains, lower fertiliser prices and improved financing. Mexico should export around 1Mt of sugar to the USA under the NAFTA deal.

- **Pakistan** : Sugar production in 2010/11 may be cut to around the same level of 3,1 Mt, white value, from an earlier forecast of 3,6-3,7 Mt.

- **Russia** : Beet white sugar output in 2010/11 will not reach more than 3,5 Mt. According to Andrei Bodin, chairman of the Russian Sugar Producers Union, output could even fall as low as 3,2 Mt if there is no rain within the next weeks.

- **Thailand** : Thailand has no plans to buy back more sugar from trading houses as domestic supply tightness has eased, said the secretary general of OCSB - Mr Prasert Tapaneyangkul.

- **USA** : The US Agriculture Department (USDA) set the sugar import quota for 2010/11 (Oct/Sep) at 1,231 Mt (short tons), raw value, the minimum it is obliged to accept under WTO commitments.